

CRAVATH, SWAINE & MOORE

ONE CHASE MANHATTAN PLAZA RECORDATION NO. 9438 Filed & Recorded

NEW YORK, N.Y. 10005

JUN 9 1978 - 1 05 PM

MAURICE T. MOORE
BRUCE BROMLEY
ALBERT R. CONNELLY
FRANK H. DETWEILER
GEORGE G. TYLER
WILLIAM B. MARSHALL
RALPH L. McAFEE
ROYALL VICTOR
ALLEN H. MERRILL
HENRY W. DE KOSMIAN
ALLEN F. MAULSBY
STEWART R. BROSS, JR.
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SAMUEL C. BUTLER
WILLIAM J. SCHRENN, JR.
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RICHARD S. SIMMONS
WAYNE E. CHAPMAN
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ROBERT D. JOYCE
ROBERT F. MURPHY
ALLEN FINKELSON
RONALD S. ROLFE
JOSEPH R. SAHID
PAUL C. SAUNDERS
MARTIN L. SENZEL

12 HANOVER 2-3000

INTERNATIONAL TELETYPE: 620978
TELETYPE: 710-581-0338

INTERSTATE COMMERCE COMMISSION

COUNSEL
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DAVID L. E. MAW

DAVID BRESLIN, JR.
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33 THROUGHMORTON STREET
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CABLE ADDRESSES
CRAVATH, N.Y.
CRAVATH, PARIS
CRAVATH, LONDON E.C.2

JUN 9 1978 - 1 05 PM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 9438 Filed & Recorded

JUN 9 1978 - 1 05 PM

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 9438 Filed & Recorded

JUN 9 1978 - 1 05 PM

June 9, 1978

8-160A110

No.

Date JUN 9 1978

Fee \$ 10.00

INTERSTATE COMMERCE COMMISSION

Consolidated Rail Corporation

Lease Financing Dated as of March 15, 1978

10% Conditional Sale Indebtedness Due 1989

ICC Washington, D. C.

Dear Sir:

Pursuant to Section 20c of the Interstate Commerce Act and the Commission's rules and regulations thereunder, as amended, I enclose herewith on behalf of Consolidated Rail Corporation for filing and recordation counterparts of the following documents:

1(a) Conditional Sale Agreement dated as of March 15, 1978, between The Connecticut Bank and Trust Company, as trustee, vendee, and Bethlehem Steel Corporation, as builder, vendor.

(b) Agreement and Assignment dated as of March 15, 1978, between Bethlehem Steel Corporation, as builder, and Continental Illinois National Bank and Trust Company of Chicago, as assignee.

2(a) Lease of Railroad Equipment dated as of March 15, 1978, between Consolidated Rail Corporation, as lessee, and The Connecticut Bank and Trust Company, as trustee, lessor;

(b) Assignment of Lease and Agreement dated as of March 15, 1978, between The Connecticut Bank and Trust Company, as trustee, lessor, vendee and Continental Illinois National Bank and Trust Company of Chicago, as vendor.

RECEIVED

JUN 9 12 58 PM '78

CERTIFICATION UNIT

[Handwritten signature]

The names and addresses of the parties to the
aforementioned agreements are:

Trustee-Vendee-Lessor:

The Connecticut Bank and Trust Company,
One Constitution Plaza,
Hartford, Connecticut 06115.

Builder-Vendor:

Bethlehem Steel Corporation,
Bethlehem, Pennsylvania 18016.

Lessee:

Consolidated Rail Corporation,
1310 Six Penn Center Plaza,
Philadelphia, Pennsylvania 19104.

Assignee-Vendor:

Continental Illinois National Bank and
Trust Company of Chicago,
231 South LaSalle Street,
Chicago, Illinois 60693.

Please file and record the documents referred to
in this letter and cross-index them under the names of the
Trustee-Vendee-Lessor, Builder-Vendor, Lessee and Assignee-
Vendor.

The equipment covered by the aforementioned
documents consists of 298 100-ton open top triple hopper
cars bearing identifying numbers CR 488166 to CR 488463,
both inclusive.

Enclosed is a check for \$100 payable to the
Interstate Commerce Commission, representing the fee for
recording the Conditional Sale Agreement and related
Agreement and Assignment (together constituting one
document) and the Lease of Railroad Equipment, and related
Assignment of Lease and Agreement (together constituting
one document).

Please accept for recordation one counterpart of each of the enclosed agreements, stamp the remaining counterparts with your recordation number and return them to the delivering messenger along with your fee receipt, addressed to the undersigned.

Very truly yours,



David C. Spialter
As Agent for Consolidated
Rail Corporation

Robert L. Oswald, Esq.,
Secretary,
Interstate Commerce Commission,
Washington, D. C. 20423

Encls.

54A

BY HAND

Interstate Commerce Commission
Washington, D.C. 20423

6/9/78

OFFICE OF THE SECRETARY

David C. Spialter
Cravath, Swaine & Moore
One Chase Manhattan Plaza
New York, N.Y. 10005

Dear

Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,

49 U.S.C. 20(c), on

6/9/78

at

1:05pm

and assigned recordation number(s)

9438, 9438-A, 9438-B & 9438-C

Sincerely yours,

H.G. Homme, Jr.
Acting Secretary

Enclosure(s)

SE-30-T
(6/77)

9438/

RECORDATION NO. Filed & Recorded

JUN 9 1978 -1 05 PM

INTERNATIONAL COMMERCE COMMISSION

ASSIGNMENT OF LEASE AND AGREEMENT dated as of March 15, 1978 (this "Assignment"), by and between THE CONNECTICUT BANK AND TRUST COMPANY, not in its individual capacity but solely as trustee (hereinafter called the "Lessor" or the "Vendee") under a Trust Agreement dated as of the date hereof (the "Trust Agreement") with Fifth HFC Leasing Corporation (the "Beneficiary") and CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO (the "Vendor").

WHEREAS the Vendee is entering into a Conditional Sale Agreement dated as of the date hereof (the "CSA") with Bethlehem Steel Corporation (the "Builder"), providing for the sale to the Vendee of such units of railroad equipment (the "Units") described in Annex B thereto as are delivered to and accepted by the Vendee thereunder;

WHEREAS the Lessor and Consolidated Rail Corporation (the "Lessee") have entered into a Lease of Railroad Equipment dated as of the date hereof (the "Lease"), providing for the leasing by the Lessor to the Lessee of the Units; and

WHEREAS, in order to provide security for the obligations of the Lessor under the CSA and as an inducement to the Vendor to invest in the CSA Indebtedness (as defined in the CSA), the Lessor agrees to assign for security purposes, to the extent herein provided, its rights in, to and under the Lease to the Vendor;

NOW, THEREFORE, in consideration of the premises and of the payments to be made and the covenants hereinafter mentioned to be kept and performed, the parties hereto agree as follows:

1. The Lessor hereby assigns, transfers and sets over unto the Vendor, as collateral security for the payment and performance of the obligations of the Lessor as Vendee under the CSA, all the Lessor's right, title and interest, powers, privileges, and other benefits under the Lease, including, without limitation, the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Lessor from the Lessee under or pursuant to

the provisions of the Lease, whether as rent, casualty payment, indemnity, liquidated damages, or otherwise, including, without limitation, any amounts payable to the Lessor pursuant to the proviso of paragraph (g) of § 16 of the Lease (excluding, however, any amounts payable directly to the Beneficiary pursuant to the provisions of § 16 of the Lease) (such moneys so assigned being hereinafter called the "Payments"), and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of an Event of Default specified in the Lease, and to do any and all other things whatsoever which the Lessor is or may become entitled to do under the Lease; provided, however, that, so long as no Event of Default or event which with lapse of time and/or giving of notice provided for in the Lease could constitute an Event of Default under the Lease shall have occurred and be continuing, and without in any way limiting the right of the Vendor to exercise the rights assigned to it hereunder on its own without the consent of the Vendee, the Vendee shall be entitled to exercise any right of the Lessor under the Lease so long as the Vendee's exercise thereof shall not have the effect of depriving the Vendor of its rights in respect of, or security for, the CSA Indebtedness; and provided, further, that the Vendee shall not declare the Lease terminated or seek to recover possession of the Units without the consent of the holders of interests totaling more than 50% of the aggregate CSA Indebtedness then outstanding. In furtherance of the foregoing assignment, the Lessor hereby irrevocably authorizes and empowers the Vendor in its own name, or in the name of its nominee, or in the name of the Lessor or as its attorney, to ask, demand, sue for, collect and receive any and all Payments to which the Lessor is or may become entitled under the Lease, and to enforce compliance by the Lessee with all the terms and provisions thereof.

The Vendor agrees to accept any Payments made by the Lessee for the account of the Lessor pursuant to the Lease. To the extent received, the Vendor will apply such Payments to satisfy the obligations of the Lessor under the CSA, and, except during the 20-day period immediately following the occurrence of an event of default specified in Article 15 of the CSA, any balance shall be paid (so long as the Vendor shall not, by reason of the occurrence of such an event of default, be taking action to enforce its rights under the CSA) to the Lessor on the same date such Payment is applied to satisfy such obligations of the Lessor, by wire transfer of immediately available funds to the Lessor at such

address as may be specified to the Vendor in writing, or, if no such address is specified, by check mailed to the Lessor on such date at its address specified in § 18 of the Lease, and such balance shall be retained by the Lessor; provided, however, that during such 20-day period, and thereafter at any time during which the Vendor shall, by reason of the occurrence of an event of default specified in Article 15 of the CSA, be taking action to enforce its rights thereunder, no portion of any such Payments shall be paid to the Lessor; provided, further, that any amounts payable pursuant to § 16 of the Lease shall, promptly upon the expiration of such 20-day period (if such period shall have expired without the Vendor's having taken any action to enforce its rights under the CSA), be paid over to the Beneficiary in full, without application of any portion thereof to the payment of the CSA Indebtedness, by wire transfer of immediately available funds to the Beneficiary's account specified in Section 2.01(c) of the Trust Agreement. The Vendor shall notify the Lessor (with a copy of such notice to the Beneficiary) at its address set forth in the Lease if the Vendor shall not receive any rental payment under § 3 of the Lease when due; provided, however, that the failure of the Vendor to so notify the Lessor shall not affect the obligations of the Lessor hereunder or under the CSA. It is understood that the cure rights of the Lessor under paragraph (f) of Article 15 of the CSA shall continue until the later of the expiration of the 12 business day period provided by paragraph (a) of Article 15 of the CSA or 5 business days after demand for cure shall have been made by the Vendor by notice to the Vendee, all as provided in said paragraph (f) of Article 15 of the CSA.

2. This Assignment is executed only as security and shall not subject the Vendor to, or transfer, or pass, or in any way affect or modify the liability of the Lessor under the Lease, it being agreed that notwithstanding this Assignment all obligations of the Lessor to the Lessee shall be and remain enforceable by the Lessee against, and only against, the Lessor or persons other than the Vendor.

3. The Lessor will faithfully abide by, perform and discharge each and every obligation and agreement which the Lease provides are to be performed by the Lessor; without the written consent of the Vendor, the Lessor will not anticipate the rents under the Lease or waive or in any manner release the Lessee of or from the obligations, conditions and agreements to be performed by the Lessee,

including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein or enter into any agreement amending, modifying or terminating the Lease, and the Lessor agrees that any amendment, modification or termination thereof without such consent shall be void.

4. The Lessor does hereby constitute the Vendor the Lessor's true and lawful attorney, irrevocably, with full power (in the name of the Lessor, or otherwise), to demand, receive and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Lessor is or may become entitled, to enforce compliance by the Lessee with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which to the Vendor may seem to be necessary or advisable in the premises.

5. Upon the full discharge and satisfaction of all sums due from the Lessor under the CSA, this Assignment and all rights herein assigned to the Vendor shall terminate, and all estate, right, title and interest of the Vendor in and to the Lease shall revert to the Lessor.

6. The Lessor will pay or discharge any and all claims, liens, charges or security interests (other than those created by the CSA) on the Lease or the rentals or other payments due or to become due thereunder claimed by any party from, through or under the Lessor or its successors or assigns (other than the Vendor), and, to the extent that the Lessor receives funds sufficient for such purpose from the Beneficiary or its successors or assigns, will pay or discharge any and all of the same claimed by any party from, through or under the Beneficiary, or its successors or assigns (other than the Vendor), not arising out of the transactions contemplated by the CSA or the Lease (but including tax liens arising out of the receipt of the income and proceeds from the Units) which, if unpaid, might become a claim, lien, charge or security interest on or with respect to the Lease or such rentals or other payments equal or superior to the Vendor's interest therein, unless the Lessor or the Beneficiary shall be contesting the same in good faith by appropriate proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect such interests of the Vendor.

7. The Lessor will, from time to time, execute, acknowledge and deliver any and all further instruments required by law or reasonably requested by the Vendor in order to confirm or further assure the interest of the Vendor hereunder.

8. The Vendor may assign all or any of the rights assigned to it hereby or arising under the Lease, including, without limitation, the right to receive any Payments due or to become due. In the event of any such assignment, any such assignee shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Vendor hereunder.

9. This Assignment shall be governed by the laws of the State of Connecticut, but the parties shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act. The counterpart of this Assignment delivered to the Vendor shall be deemed to be the original and all other counterparts shall be deemed duplicates thereof.

10. The Lessor shall cause copies of all notices received in connection with the Lease and all Payments hereunder to be promptly delivered or made to the Vendor at its address set forth in Paragraph 10 of the Participation Agreement dated as of the date hereof among the Lessee, the Lessor, the Beneficiary, HFC Leasing Inc. and the Vendor, or at such other address as the Vendor shall designate.

11. The Vendor agrees with the Lessor that, so long as no event of default under the CSA has occurred and is continuing, the Vendor will not exercise or enforce, or seek to exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits which are assigned by the Lessor to the Vendor by this Assignment to the extent they are for the sole benefit of the Lessor and not required to satisfy the obligations of the Lessor under the CSA, without the prior consent of the Lessor.

12. Notwithstanding any other provision of this Assignment (including, but not limited to, any provision of the first paragraph of Paragraph 1 and Paragraph 3 hereof), (a) so long as there is no event of default under the CSA, and to the extent that the Vendor does not seek to receive and collect any Payments under the Lease in excess of the amounts required to discharge the obligations of the Lessor under the CSA, this Assignment shall not limit or in any way

affect the Lessor's right to receive and collect any Payments under the Lease in excess of the obligations of the Lessor under the CSA or amounts payable under § 16 of the Lease, or empower the Vendor to waive or release the Lessee's obligation to pay the same, and the Lessor shall continue to be empowered to demand, sue for, collect and receive any and all of such excess amounts and amounts payable under § 16 of the Lease, but the Lessor shall not take any action under subparagraph (y) of § 10 of the Lease without the written consent of the Vendor and (b) each and all of the warranties, representations, undertakings and agreements of the Lessor herein are each and every one of them made and intended not as personal representations, undertakings and agreements by The Connecticut Bank and Trust Company, or for the purpose or with the intention of binding said bank personally, but are made and intended for the purpose of binding only the Trust Estate, as such term is used in the Trust Agreement, and this Assignment is executed and delivered by the said bank solely in the exercise of the powers expressly conferred upon said bank as trustee under the Trust Agreement, and no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against said bank, except for its wilful misconduct or gross negligence, or against the Beneficiary under the Trust Agreement (except under the last paragraph of Section 5.01 thereof) or on account of any representation, undertaking or agreement herein of the Lessor or the Beneficiary, either express or implied, all such personal liability (except as aforesaid), if any, being expressly waived and released by the Vendor and by all persons claiming by, through or under the Vendor; provided, however, that the Vendor or any person claiming by, through or under it, making claim hereunder, may look to said Trust Estate for satisfaction of the same.

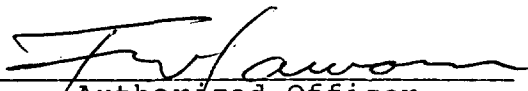
13. This Assignment may be executed in any number of counterparts, all of which together shall constitute a single instrument, but the counterpart delivered to the Vendor shall be deemed to be the original and all others shall be deemed to be duplicates thereof. It shall not be necessary that any counterpart be signed by both parties so long as each party shall sign at least one counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by officers thereunto duly authorized, and their

respective corporate seals to be affixed and duly attested,
all as of the date first above written.

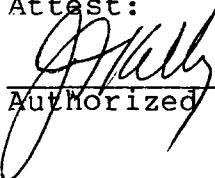
THE CONNECTICUT BANK AND TRUST
COMPANY, as Trustee as aforesaid,

by


Authorized Officer

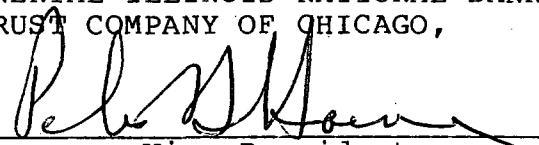
[Corporate Seal]

Attest:


Authorized Officer

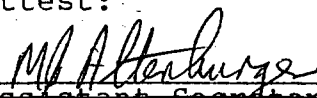
CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,

by


Vice President

[Seal]

Attest:


~~Assistant Secretary~~
BANKING OFFICER

STATE OF NEW YORK,)
) ss.:
 COUNTY OF NEW YORK,)

On this day 23rd of MAY 1978, before me personally appeared F.W. KAWAM, to me personally known, who, being by me duly sworn, says that he is an Authorized Officer of THE CONNECTICUT BANK AND TRUST COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was a free act and deed of said corporation.

IN WITNESS WHEREOF, I hereunto set my hand.

Margaret C. Miller
 Notary Public

[Notarial Seal]

My Commission expires
MARGARET C. MILLER
 Notary Public, State of New York
 No. 24-4519940
 Qualified in Kings County
 Commission Expires March 30, 1982

STATE OF ILLINOIS,)
) ss.:
 COUNTY OF COOK,)

On this 23rd day of May 1978, before me personally appeared PETER D. HORNE, to me personally known, who, being by me duly sworn, says that he is a Vice President of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO, that one of the seals affixed to the foregoing instrument is the seal of said bank and that said instrument was signed and sealed on behalf of said bank by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said bank.

Bileen Hudson
 Notary Public

[Notarial Seal]

My Commission expires
9-22-78

CONSENT AND AGREEMENT

The undersigned, CONSOLIDATED RAIL CORPORATION (the "Lessee"), the lessee named in the Lease (the "Lease") referred to in the foregoing Assignment of Lease and Agreement (the "Lease Assignment"), hereby (a) acknowledges receipt of a copy of the Lease Assignment and (b) consents to all the terms and conditions of the Lease Assignment and agrees that:

(1) it will pay all rentals, casualty payments, liquidated damages, indemnities and other moneys (other than any payment provided for by § 16 of the Lease to the extent provided in said § 16 and the Lease Assignment) provided for in the Lease (which moneys are hereinafter called the "Payments") due and to become due under the Lease or otherwise in respect of the Units (as defined in the Lease) leased thereunder, directly to Continental Illinois National Bank and Trust Company of Chicago (the "Vendor"), the assignee named in the Lease Assignment, at 231 South LaSalle Street, Chicago, Illinois 60693, Attention of Loan Division (or at such other address as may be furnished in writing to the Lessee by the Vendor);

(2) in accordance with and subject to the provisions of the Lease Assignment, the Vendor shall be entitled to the benefits of, and to receive and enforce performance of, all the covenants to be performed by the Lessee under the Lease as though the Vendor were named therein as the Lessor;

(3) the Vendor shall not, by virtue of the Lease Assignment or this Consent and Agreement, be or become subject to any liability or obligation under the Lease;

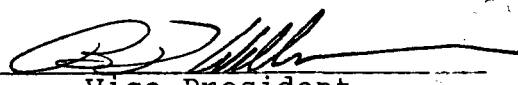
(4) the Lease shall not, without the prior written consent of the Vendor, be terminated or modified, nor shall any action be taken or omitted by the Lessee the taking or omission of which might result in an alteration or impairment of the Lease or the Lease Assignment or this Consent and Agreement or of any of the rights created by any thereof; and

(5) it will mail or deliver one copy of all notices, statements, documents or schedules given or delivered by it pursuant to the Lease or the Lease Assignment to both the Vendor and the Owner (as defined in the Lease).

This Consent and Agreement, when accepted by the Vendor by signing the acceptance at the foot hereof, shall be deemed to be a contract under the laws of the Commonwealth of Pennsylvania and, for all purposes, shall be construed in accordance with the laws of said Commonwealth.

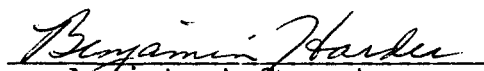
CONSOLIDATED RAIL CORPORATION,
as Lessee,

by


Vice President
Ass't Treas. - T&BRS

[Corporate Seal]

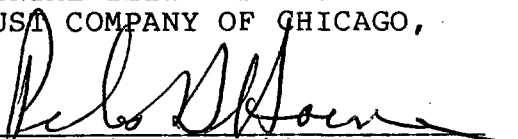
Attest:


Assistant Secretary

The foregoing Consent and Agreement is hereby accepted, as of the 15th day of March 1978.

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,

by


Vice President